



## Results of the 2019 Annual General Meeting of Arion Bank hf.

The Annual General Meeting of Arion Bank 2019 was held at the Bank's headquarters at Borgartún 19, 105 Reykjavík, on 20 March 2019 at 16:00.

All proposals were approved.

Below are the results of the meeting:

- 1. The report of the Board of Directors on the Bank's operations, activities and financial situation during the last financial year was presented by Eva Cederbalk, departing Chairman**

- 2. The Bank's annual financial statements were approved**

- 3. A dividend payment was approved**

It was approved that a dividend of ISK 10,000,000,000.00 will be paid to the Bank's shareholders. The dividend will be equal to ISK 5.00 per share. The dividend ex-date will be 21 March, record date 22 March and payment date 29 March 2019.

- 4. Election of the Bank's Board of Directors**

The following candidates were elected to the Board of Directors and the Alternate Board without voting taking place. Brynjólfur Bjarnason will be Chairman and Herdís Dröfn Fjeldsted Vice Chairman. This was in line with the recommendations of the Nomination Committee.

The Board of Directors is now presented by the following 6 candidates:

- Brynjólfur Bjarnason (Chairman)
- Herdís Dröfn Fjeldsted (Vice Chairman)
- Benedikt Gíslason
- Liv Fiksdahl
- Renier Lemmens
- Steinunn Kristín Þórðardóttir

and the Alternates are:

- Ólafur Örn Svansson
- Sigurbjörg Ásta Jónsdóttir
- Þröstur Ríkharðsson

- 5. It was approved that Deloitte ehf., will continue to act as the Bank's external auditors**

This is in accordance with the decision of the Annual General Meeting on 19 March 2015, cf. Article 90 of Act. No. 161/2002, on Financial Undertakings.

- 6. A proposal on remuneration to the Board of Directors and compensation to members of the Board's sub-committees was approved**

It was approved that the monthly salary of Board members be ISK 476,600, the monthly salary of the Vice Chairman be ISK 714,800 and the monthly salary of the Chairman be ISK 952,800. The salary of Alternate members will be ISK 241,400 for each meeting attended, up to maximum of ISK 476,600 in the



case of more than one meeting a month. In the case of foreign Board members, the aforementioned figures shall be doubled. In addition, it will be permitted to pay those Board members who serve on Board committees of the company a maximum of ISK 190,600 a month for serving on each committee, and the chairmen of Board committees ISK 247,600 a month.

**7. A proposal from the Board of Directors concerning the Bank's Remuneration Policy was approved**

The meeting approved the Bank's Remuneration Policy as it was presented to the meeting. The Remuneration Policy is unchanged from previous year except for amendments to Chapter V on bonus schemes that were approved.

The full Remuneration Policy is attached.

**8. Two members of the Bank's Nomination Committee were elected**

There were two candidates and they were automatically elected without voting taking place:

- Christopher Felix Johannes Guth
- Sam Taylor

**9. A proposal on remuneration to the members of the Nomination Committee was approved**

Members of the Nomination Committee, including the chairman of the Committee, will receive ISK 150,000 for each Committee meeting attended, up to maximum of ISK 150,000 per month in case of more than one meeting a month and maximum of ISK 900,000 per calendar year.

**10. Proposal to reduce share capital by cancelling the Bank's own shares and a corresponding amendment to the Articles of Association was approved**

The Meeting resolved to cancel 186,000,000 shares amounting to ISK 186,000,000 of the Bank's share capital, reducing it from ISK 2,000,000,000 to ISK 1,814,000,000 at nominal value. The reduction will be executed by cancelling the Bank's own shares amounting to the above mentioned amount provided that all applicable legal conditions are met.

**11. Authorization to purchase own shares and a corresponding amendment to the Articles of Association was approved**

The Meeting authorized the Board of Directors, based on Article 55 of the Company Act No. 2/1995 to acquire on behalf of the Bank up to 10% of issued share capital in the Bank. The authorization shall be used for setting up formal share repurchase program or for the purpose of offering shareholders generally to sell their shares to the Bank, e.g. through auction, provided equal treatment of shareholders is ensured should such offer be made. The repurchase of shares under this authorization is conditional upon the prior approval of the Financial Supervisory Authority in accordance with paragraph 3 (a) of Article 84 of the Act on Financial Undertakings no 161/2002.

In order to achieve the objective of implementing a formal share repurchase program the Board is authorized to repurchase shares in the Bank up to the authorized ratio of issued share capital, which is 10%. The highest permitted price for each share shall be the latest independent trade or the highest



independent bid, whichever is higher. The Bank's transactions with its own shares under a repurchase programme shall be published in accordance with laws and regulations

This authorization shall remain in effect until the Bank's Annual General Meeting in 2020 or 15 September 2020, whichever occurs first. Older authorizations to purchase own shares are cancelled by accepting this authorization.

## **12. Authorization of issuance of Additional Tier 1 notes and a corresponding amendment to the Articles of Association was approved**

The Annual General meeting of Arion Bank authorized the Board of Directors, for the period until the annual general meeting in 2020, on one or several occasions, with deviation from any shareholders preferential rights, to issue convertible notes for the maximum amount of ISK 20,000,000,000 or equivalent amount in other currencies that meet Additional Tier 1 requirements according to Article 84 b of the Act on Financial Undertakings, No. 161/2002. Final loan amounts and conditions for conversion shall be set so that the total number of shares which may be issued upon conversion of Additional Tier 1 notes, by virtue of this authorization, may not exceed 600,000,000 shares at the time of issue of Additional Tier 1 notes. The maximum number of shares which may be issued upon conversion may be increased pursuant to the terms and conditions of the Additional Tier 1 notes in the event of any discounted share issue, bonus issue, discounted rights issue, any other issue of securities to shareholders as a class or issue of other convertible securities, conversion of convertibles other than the Additional Tier 1 notes, share split, mergers, acquisitions, cash or non-cash dividend or similar corporate events. Additional Tier 1 notes shall mandatorily convert into shares under the conditions stated in the terms and conditions of the Additional Tier 1 notes but not be convertible at the option of the holders. The Board of Directors shall resolve on all other terms and conditions for issuance according to this authorization.

## **13. Amendment to the Bank's Articles of Association was approved**

Amendment to item vi) of Article 13.2 of the Bank's Articles of Association was approved, so that the reference to the coming operating year will be removed. Item vi) of Article 13.2 is now as follows:

vi) a decision on remuneration to the Board of Directors and compensation to members of the Board's sub-committees

## **14. Other business**

Brynjólfur Bjarnason, newly elected Chairman of the Board, on behalf of the newly elected Board of Directors thanked the meeting for the trust shown to them, and also thanked the departing board members, Eva Cederbalk and Måns Höglund, for their positive contribution to the Bank.